MALOOF BROWNE & EAGAN LLC

DAVID T. MALOOF

411 Theodore Fremd Ave., Suite 190
Rye, New York 10580
Telephone (914) 921-1200
Telecopier (914) 921-1023
E-mail: dmaloof@maloofandbrowne.com
August 17, 2007

Facsimile - 29 Pages

Mr. Dan White Vice President Yellowstone Trucking Inc. 3448 N. Heuter Rd. Coeur d' Alene, ID 83814

Tel: (208) 765-3212 Fax: (208) 667-8160

Email: dwhite@yellowstonetrucking.com

Re: Revised Cargo Claim

Carrier: Yellowstone Trucking Inc.

Shipping Order No.: 216745 and 216746 Issued 06/12/06 Carriage: Pebbles, Ohio to Tukwila, Washington

Date of loss: June 13, 2006

Cargo: CFM 56-7B Jet Aircraft Engine #892-976

CFM 56-7B Jet Aircraft Engine #892-978

Revised Claim Amount: \$5, 750,000.00

Your Ref: C-19-07

Our Ref: 2401.03

Dear Mr. White:

We represent the cargo insurers with respect to the referenced cargo claim. We hereby again make claim on your company and again demand payment.

Our claim has been reduced to \$5, 750,000.00, as explained in the enclosed report.

If you would like to resolve this without litigation, please contact me at your earliest convenience.

Thank you.

Very truly yours,

*David T. Maloot

\\SERVERI\Company\\WP-DOCS\2401.03\081707 revised Claim letter to Yellowstone.doc

EXHIBIT

B

TMC Company File 000159

Cc: Mr. Todd L. Bunting
Executive Vice President of Safety
TMC Transportation Inc.
PO Box 1774
Des Moines, Iowa 50306
Tel: (515) 287-6380 Ext: 3585

Fax: (515) 287-7650

Email: toodb@tmctrans.com

DTM/mg Enclosures Document 26-3 Page: 3/29 Filed 04/17/2008 Page 3 of 29 Date: 8/17/2007 12:09:35 PM

McLarens Young International

GLOBAL CLAIMS SERVICES



19324 40th Avenue W., Suite C Lynnwood, WA 98036 Tel 425 778-3810 Fox 425 778-4375 www.mglgrensyoung.com

August 10, 2007

PLEASE ADVISE

INDEMNITY PAYMENT REQUEST

To: Interested Insurers & Underwriters (Per Attached Schedule)

Interim RE: Report No. 11 THE BOEING COMPANY Assured Policy No. Per Attached Schedule Policy Term February 15, 2006- February 15, 2007 June 13, 2006 Date of Loss Transit Type of Loss Pebbles, OH - Tukwila, WA Loss Location Marsh USA, Inc. - Seattle, WA Assured's Broker Our File No. 03.002279.MI-T

Ladies and Gentlemen:

Your Reference

We herewith submit our interim report regarding the above referenced claim for your consideration.

ENCLOSURE:

- 1. Schedule of Insurors and Apportionment
- 2. Proof of Loss
- 3. Engine Salvage Report -- Charles Taylor Aviation

COVERAGE:

Coverage is provided for Domestic Inland Transit to a primary limit of \$100 million excess a \$250,000 occurrence deductible with additional provisions for Business Interruption subject a 30 day waiting period. Inland Transit Coverage is provided to aviation products and merchandise of every description and is insured against All Risks of Physical Loss or Damage, from any external cause, as defined and limited.

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Interested Insurors & Underwriters MYI File 03.002279.MI-T August 10, 2007 Page 2

Valuation for property in transit is as follows:

"A.

1. Property in transit, at the amount of invoice price, any and all freight charges in the invoice including prepaid and/or advanced and/or guaranteed freight, if any, plus 25%, or, if there is no invoice at actual selling price at point of destination less any charges saved which would have become due and payable upon delivery at destination, or if there is no selling price, at replacement cost including such freight charges as may have accrued and become legally due thereon. or, the amount required by instructions received by the Insured or at the amount declared, provided such instructions or declarations are made, but in no event to be less than the foregoing. Containers owned by the Insured: The value is agreed to be the purchase price less depreciation;."

DATE OF LOSS:

June 13, 2006

LOCATION OF LOSS:

Milepost 38 on Interstate 74 in Knox County, Illinois.

PROPERTY INVOLVED:

CFM 56-7B Jet Aircraft Engine, #892-976 CFM 56-7B Jet Aircraft Engine, #892-978

NATURE OF LOSS:

Vehicle upset.

RECOMMENDED SETTLEMENT:

CFM-56 Jet Engines-net of salvage	\$6,000,000
Less Deductible	\$250.000
Claim to Policy	\$5,750,000

From: unknown Page: 5/29 Date: 8/17/2007 12:09:36 PM

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INVESTIGATION:

Assured:

The Boeing Company 100 North Riverside Plaza Chicago, IL 60606

Primary Contact:

Elizabeth Rosenfeld, Esq.
Manager Insurance Litigation & Liability Risks
The Boeing Company
100 North Riverside MC 5003-3357
Chicago, IL 60606

Ph: 312-544-2175 Fax: 312-544-2092

elizabeth.a.rosenfeld@boeing.com

OCCURRENCE:

Loss results from upset of vehicle occurring 7:35 am June 13, 2006 at milepost 38 on Interstate 74 in Knox County, Illinois.

SUBROGATION:

Underwriter's subrogation interests are represented by:

Maloof Browne & Eegan, LLC. 441 Theodore Fremd Ave., Suite 190 Rye, NY 10508

Phone: (914)921-1200

Email: DMaloof@MaloofandBrowne.com

SETTLEMENT:

With the consent of leading underwriters, we herewith propose final settlement in the net amount of \$5,750,000. Additionally, underwriters will retain exclusive rights to any recovery achieved through subrogation.

Negotiations with The Boeing Company have been ongoing for some time now and were finalized during a recent meeting between leading underwriters and representatives for The Boeing Company.

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Date: 8/17/2007 12:09:36 PM

Interested Insurors & Underwriters MYI File 03.002279.MI-T August 10, 2007 Page 4

In effecting the settlement, leading underwriters considered the following information:

Physical Damage:

While the cost of repair to the engines was not considered exceptional, (combined repairs slightly exceeded the sum of \$2.1 million) it was the nature of the damage and stigmatization by GE that made the engines unusable on new aircraft.

As such, the recommended adjustment is based upon the invoiced value of identical, replacement engines. This approach allows underwriters the full benefit of trade discounts included within the invoice for the replacement engines from GE¹ which may have been available on the original invoice.

The invoiced value for the engines totaled \$13,576,557 and it was this value that was used in the adjustment. Please refer to Report #5, enclosure #2 to view the invoice.

<u>Salvage</u>:

Charles Taylor Aviation (CTa) assisted in the evaluation of salvage value and their findings and recommendations are attached as enclosure #2 to this report. CTa concluded that given the substantial value of the engine contrasted against relatively low repair cost, significant salvage value existed for each of the engines. CTa speculated to us the best potential salvage market for the engines would be an aircraft leasing company who would have need to change out engines during maintenance in order to keep the aircraft operational.

CTa contacted GA Telesis, such a leasing company, and discussed the situation with them without making reference to either The Boeing Company or the engine serial numbers. As per enclosure #2, GA Telesis speculated the potential salvage value would be \$4 - \$5 million.

Given policy provisions allowing The Boeing Company control of salvage along with some concern that a process involving salvage bids may result in a lower than expected value, we recommended underwriters approach The Boeing Company and seek to negotiate the value of engine salvage. Presuming a value within the range suggested by CTa could be achieved, it made sense to avoid the

¹ The invoice for the replacement engines included discounts originally negotiated by Boeing's customer, Southwest Airlines. Typically, the aircraft owner will negotiate directly with GE and the final price of the engines, including negotiated discounts, is thereafter invoiced to Boeing. This is with the understanding that the engines will be installed on the customer's aircraft. Invoicing by GE to Boeing takes place after the engines are installed on the aircraft. Because these engines were not installed on Southwest's aircraft, it was suggested that the negotiated discount of \$295,000 per engine, may not apply.

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Interested Insurors & Underwriters MYI File 03.002279.MI-T August 10, 2007 Page 5

potential downside of a bidding process. If however, the value could not be negotiated with Boeing, then bidders could be invited to inspect the engines.

UPLIFT:

Policy provisions allow for an additional 25% to be applied to the invoice value.

SUMMARY:

Given the value of the engines, policy provisions allowing for uplift and presuming CTa's maximum estimate for salvage without deduction for brokerage was realized, the best settlement underwriters might have expected could be summarized as follows:

Line#	Item	Amount	Comment/Source
1	CFM56-7 22844	\$6,788,278	Per GE Invoiced Price
2	CFM56-7 22845	\$6,788,279	Per GE Invoiced Price
3	Total Engine Value	\$13,576,557	Total of Lines 1 & 2
4	Uplift @ 25.00%	\$3,394,139	Line 3 x uplift %
5	Exposure to Policy Less: Estimated	\$16,970,696	Total of Lines 3 & 4
6	Salvage	\$10,000,000	\$5.0 million per engine
7	Claim to Policy	\$6,970,696	Line 5 less Line 6
8	Less: Deductible	\$250,000	Policy Terms and Conditions
9	Claim to Policy	\$6,720,696	Line 7 less Line 8

The recommended settlement of \$5,750,000, net of deductible falls well within this range and has been approved by both the London/Policy leader (RSA) and the Domestic leader (XL).

We are able to advise that The Boeing Company has also agreed the terms as proposed.

PAYMENT REQUESTED:

With permission of leading underwriters, McLarens Young herewith recommends final payment as follows:

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Interested Insurors & Underwriters MYI File 03.002279.MI-T August 10, 2007 Page 6

Company	%	Amount
Royal Sun Alliance	30.00%	\$1,725,000.00
Underwriters at		
Lloyds	28.50%	\$1,638,750.00
XL Brockbank	10.00%	\$575,000.00
Mitsui	5.00%	\$287,500.00
Tokio Marine	5.00%	\$287,500.00
RLI Insurance	2,50%	\$143,750.00
Fireman's Fund	2.00%	\$115,000.00
St. Paul Travelers	1.00%	\$57,500.00
Great American	1.00%	\$57,500.00
Hartford	1.00%	\$57,500.00
Astro II	10.00%	\$575,000.00
Astro II	4.00%	\$230,000.00
Total Claim to		
Policy	100.00%	\$5,750,000.00

Wire Transfer (Preferred)

Below are the wire instructions for The Boeing Company:

Vendor Name:

The Booing Company

Beneficiary Bank:

Chase Manhattan Bank The Boeing Company

Name on Bank Account: Bank Account Number:

ABA#:

910 2 776581 021 000 021

Bank Contact Person:

Claudia Alcantar

Bank Contact Phone Number:

(312) 544-2152

Tax ID#:

91-0425694

Please provide supporting documentation by mail, fax, or e-mail.

Thank you.

Claudia Alcantar Accounting Specialist, Risk Finance & Accounting 100 N Riverside MC 5003-3357 Chicago, IL 60606-1596 Tel. (312) 544-2152 Fax (312) 544-2092 claudia.alcantar@boeing.com.

Wire Transfer Instruction Continued: Please notify mark.walters@marsh.com of payments as well as those individuals identified above.

Mailing Instruction:

In the event Underwriters are unable to issue payment by wire transfer, payment by check may be issued as follows:

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Interested Insurors & Underwriters MYI File 03.002279.MI-T August 10, 2007 Page 7

Payable to:

The Boeing Company

Mail to:

Marsh USA

1215 4th Ave. Suite 2300 Seattle, WA 98161

Attn: Mark Walters (Personal and Confidential)

REMARKS:

The first party adjustment file will be closed as soon as our consultant's billing is received. Subrogation will be pursued by underwriter's counsel who will report directly.

Please anticipate our closing report within 10 days.

Very Truly Yours, MCLARENS YOUNG INTERNATIONAL

Timothy D. Owen, CPCU Vice President

Email: tim.owen@mclarensyoung.com

Direct Line: (425)640-4544

TDO/cbm Encis. 03002279_Rpt.11.doc

ENCLOSURE #1

Schedule of Insurors and Apportionment

Case 1:08-cv-01106 From: unknown Document 26-3 Page: 11/29 Filed 04/17/2008 Page 11 of 29 Date: 8/17/2007 12:09:38 PM

SCHEDULE OF INSURORS

The Boeing Company February 15, 2006 - February 15, 2007

June 13, 2006 Damage in Transit (Pebbles, OH - Tukwila, WA)

Insuror	Policy No.	Claim No.	Participation A	
Underwriters at Lloyds C/o Marsh - HYNIX 1 Tower Place West London EC3R 5BU England Attn: Nick Bartholomew Phone: 01144 160 320 7613 Fax: 01144 160 320 7075 nick.bartholomew@marsh.com	JA487006	JC4870040003	28.50%	\$28,500,000
Royal Sun Alliance C/o Marsh - HYNIX 1 Tower Place West London EC3R 5BU England Attn: Nick Bartholomew Phone: 01144 160 320 7613 Fax: 01144 160 320 7075 pick.bartholomew@marsh.com	JC487008	JC4870040003	30.00%	\$ 30,000,000
RLI Insurance 9025 N. Lindbergh Dr. Peoria, IL 61615 Attn: Victor Corso Phone: (309)692-1000 Fax:(309)692-6796 Victor Corso@rlicorp.com	CAR300008	Please Advise	2.50%	\$ 2,500,000
St. Paul Travelers 200 N. LaSalle, Ste. 2100 Chicago, IL 60601 Attn: Carol Gregory Phone: 312-917-3604 Fax: 312-917-2130 cgregory@travelers.com	OC01200749	AES 1736	1.00%	\$ 1,000,00
1 '	1	į.	3	1

SCHEDULE OF INSURORS The Boeing Company

June 13, 2006 Damage in Transit (Pebbles, OH - Tukwile, WA)

insuror	Policy No.	Claim No.	Participation A	mo	int
Great American Insurance Co, 65 Broadway, 20th Floor New York, NY 10006 Attn: Ben Lombardi Phone: (510)988 -2225 Fax: (510)935-8636 blombardi@gaic.com	OMC5389697	Please Advise	1.00%	\$	1,000,000
Mitsui Sumitomo 560 Lexington Ave. 20th Floor New York, NY 10022 Attn: Michael Osorio Phone: (212)230-2964 Fax: (212)319-7061 MOsorio@msicus.com	OCMM001130	OA102921	5.00%	\$	5,000,000
Tokio Marine 230 Park Avenue New York, NY 10169 Attn: Patricia Quinn Phone: (212)297-6752 Fax: (212)297-6968 Patricia Quinn@tmclaimsservice	T060010666	NG006-0267	5.00%	\$	5,000,000
XL Marine 99 Park Avenue, 3rd Floor New York, NY 10016 Attn: Jonathan O'Hara Phone: (212) 331-1304 Fax: (212) 331-1300 jonathan.ohara@xlgroup.com	UM00012841CR06A	UM00004059	10.00%	\$	10,000,000
Fireman's Fund 33 W. Monroe St. Ste.1200 Chicago, IL 60603-5316 Attn: Craig Pearson Phone: (312)441-6224	OC-96079200	20036261	2.00%	\$	2,000,000
Fax: (312)441-6220 craig_pearson@ffic.com					
Page 2 of 3	Continued o	n Next Page			

SCHEDULE OF INSURORS The Boeing Company June 13, 2006

Damage in Transit (Pebbles, OH - Tukwila, WA)

Insuror	Policy No.	Claim No.	Participation A	۱mo	unt
Astro II c/o Aon Insurance Managers 76 Paul Street, Suite 500 Burlington, VT 05401-4477 Attn: Thao T. Nguyen Thao Nguyen@agl.aon.com cc: Marsh USA	314-1-06MAR	Please Advise	10.00%		10,000,000
Attn: Elizabeth Rosenfeld and Astro II c/o Aon Insurance Managers 76 Paul Street, Suite 500 Burlington, VT 05401-4477 Attn: Thao T. Nguyen cc: C/o The Baloise Insurance Comp PO Box Aeschengraben 21 4000 Basle, Switzerland Attn: Priska Hostettler priska.hosttetler@baloise.ch Phone: 011 4161 285 71 87 Fex: 011 4161 285 90 09	314-1-05MAR	506.06	4.00%	\$	4,000,000
Hartford PO Box 3122 Naperville IL 60566 Attn: Sherry Ortega Phone: (800)843-7006 X 28845 Fax: (800)380-9699 Sherry Ortega@thehartford.com Page 3 of 3	83CTPAJ7978	CP6559641	1.00%	\$	1,000,00

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ENCLOSURE #2

 $Proof \ of \ Loss$

Amount of Policy 310,000,000	at Time of Loss:			Policy Nun UM000128	
Date Issued:			ATEMENT		
)2/15/064			N On r ook	Agent:	
Date Expires:	4.444	PROOF	OF LOSS	Marsh USA	A Inc.
02/15/07				Seattle, W.	A
To the XL Insur	ance Company				
At the time of los	s, by the above indicat	ted policy of insurance,	you insured -		
The Roeing Com	pany				
against loss to the	e property described ac	cording to the terms an	d conditions of	said policy and of all for	orms, endorsements,
transfers, and ass	ignments attached here	ēto.			
TERRITO A MITS	A transit	<u> </u>			o'clockm., on
TIME AND	the 13th	day of June		200 6_, the cause and	origin of the said loss were:
ORIGIN	Jet engines damaged	in transit.			
TITLE AND	At the time of the los	ss, the interest of your in	nsured in the n	onerty described herein	was owner.
INTEREST		persons had any interest			
IIV I DICEOR	140 omer berson or b	eisons had any microst	morom of once	motanos distanti exaci	
		4 (1 9 . 3			ar interact 1100
CHANGES		was issued, there has b			
	occupancy, possessi	ons, location, or exposu	re of the prope	rty described except	<u>n/a, </u>
MICHAEL T	THE TOTAL AMO	UNT OF INSURANCE	Eupon the prop	erty described by this p	olicy was, at the time of loss
TOTAL	\$100,000,000	as more particularly s	pecified in the	apportionment attached	, besides which there was no
INSURANCE	policy or other cont	ract of insurance, writte			
	po(1,4) 41 auto 401111				
VALUE	THE ACTUAL CA	SH VALUE of said pro	perty at the tim	e of loss was	5
					*
LOSS	THE WHOLE LOS	SS AND DAMAGE was	3	<u> </u>	\$5,750,000
AMOUNT	THE AMOUNT CI	LAIMED under the abo	ve numbered p	olicy is	\$575,000 (10%)
211120011-					
	The said loss did no	ot originate by any act.	design or procu	rement on the part of y	our insured, or this affiant;
	nothing has been de	one by or with privity o	r consent of yo	ur insured or this affian	it, to violate the conditions of
	the policy, or rende	er it void: no articles are	mentioned her	ein or in annexed sche	diles out such as were
	destroyed or damag	ged at the time of said le	oss: no propert	y saved has in any mani	ner been concealed, and no
STATEMENT	rs attempt to deceive	the said company, as to	the extent of s	aid loss, has in any mat	nner been made. Any other
	information that m	ay be required will be f	urnished and o	onsidered a part of this	proof.
				6 1	Sel L i-evwones
	The furnishing of t	this blank or the prepara	ation of its proc	is by a representative of	of the goove misurance
	company is not a v	waiver of any of its righ	īs.	\bigcirc . \sim	
	- Market - M			$-IA \wedge -$	
State of	Illinois				
County of	Cook				
20					Insured
		سيامو سد		1 . 1	0
Subscribed an	d sworn before me this	s <u> </u>	Day of	Hugusta	200
		-	-	Miner	Meg
	OFFICIAL SEA	2	. —	1	Notary Public
	MONICA COFF	FEY 🚦			<u> </u>
	Noticity Public - State My Convention Explicit	OF EROOR			
	MY CONTINUES CANOS				TMC Company File
•					000173
					2011/2

Amount of Policy 34,000,000	at Time of Loss:		314-1.	Number: -06MAR
Date Issued:		SWORN STATEMI	ENT STATE	
)2/15/064		IN PROOF OF LOS	Agent Agent	:
Date Expires:		PROOF OF LOS	Marsh Marsh	USA Inc.
)2/15/07			Seattl	e, WA
To the ASTRO (Baloise Insurance C	ompany)		
		ated policy of insurance, you insu	red -	
The Boeing Comp	pany			
	property described a gnments attached he	according to the terms and conditi reto.	ons of said policy and of	an ioms, endorsements,
FIME AND	A transit			o'clockm., on
ORIGIN	the 13th		200 <u>6</u> , the cause	and origin of the said loss were:
	Jet engines damage	d in transit.		
	م جداد ال	, a , , , a , , , , , , , , , , , , , ,	al., 371 - 54	
TITLE AND		oss, the interest of your insured in		
INTEREST	No other person or	persons had any interest therein o	or encumbrance thereon,	except: n/a.
CHANGES		y was issued, there has been no a		
F. Elibrit d. Carino	occupancy, possess	sions, location, or exposure of the	property described excep	pt <u>n/a.</u>
TOTAL INSURANCE	\$100,000,000	as more particularly specified : _tract of insurance, written or oral	in the apportionment atta	this policy was, at the time of loss ched, besides which there was no
VALUE	THE ACTUAL C	ASH VALUE of said property at	the time of loss was	\$
LOSS	THE WHOLE LO	SS AND DAMAGE was		\$5,750,000
AMOUNT	THE AMOUNT	CLAIMED under the above numb	ered policy is	\$230,000 (4%)
STATEMENT	nothing has been the policy, or rendestroyed or dam S attempt to deceiv	not originate by any act, design or done by or with privity or consen- der it void; no articles are mention aged at the time of said loss; no p to the said company, as to the external anay be required will be furnished	t of your insured or this a ned herein or in annexed a roperty saved has in any nt of said loss, has in any	offiant, to violate the conditions of schedules but such as were manner been concealed, and no manner been made. Any other
	The furnishing of company is not a	this blank or the preparation of it waiver of any of its rights.	ts proofs by a representat	rive of the above insurance
State of	Illinois			
County of	Cook			
				Insured
Subscribed and	OFFICIAL SEAL MODELA COFFE Notice State of	Minots	y of August	200 7 Notary Public

Amount of Policy (at Time of Loss:		₹14	icy Number: -1-06MAR
Date Issued:		SWORN STATEME	NT 314	- A - WOTTAL ILL
)2/15/064		IN	, Age	ent:
Date Expires:		PROOF OF LOS	•	rsh USA Inc.
02/15/07				ittle, WA
o the ASTRO (2	Zurich Insurance Co	mpany)		
At the time of loss	, by the above indica	ated policy of insurance, you insur	ed -	
The Boeing Comp		according to the terms and condition	on of said notice and	of all forms endorsements
	gnments attached he		ata or sare bouch and	ox an ionus, ondorsonicus,
	A transit	Lossocon	red about the hour of	o'clock m., on
FIME AND	the 13th	day of June		ise and origin of the said loss were:
ORIGIN	Jet engines damage		200 0 , 110 040	20 dita dilett di ana ama tana mata.
				,
TITLE AND INTEREST		oss, the interest of your insured in	- 1	
inieres i	No other person or	persons had any interest therein or	encumprance thereof	n, except: <u>n/a.</u>
CITA NICIPO	Since the said police	y was issued, there has been no as	signment thereof, or o	change or interest, use,
CHANGES	occupancy, possess	sions, location, or exposure of the	property described ex-	cept n/a.
	THE TOTAL AMO	OUNT OF INSURANCE mon the	property described by	y this policy was, at the time of loss
TOTAL	\$100,000,000			nached, besides which there was no
INSURANCE		tract of insurance, written or oral,		imonou, besides willow more mas its
	poncy or other con	tract of madrance, written of oral,	Agild of maxim.	
VALUE	THE ACTUAL CA	ASH VALUE of said property at t	e time of loss was	\$
LOSS	THE WHOLE LO	SS AND DAMAGE was		\$5,750,000
AMOUNT	THE AMOUNT C	CLAIMED under the above number	red policy is	\$575,000 (10%)
	The said loss did r	not originate by any act, design or	procurement on the pa	art of your insured, or this affiant;
	nothing has been	done by or with privity or consent	of your insured or this	s affiant, to violate the conditions of
	the policy, or rend	ler it void; no articles are mention	d herein or in annexe	d schedules but such as were
	destroyed or dama	aged at the time of said loss; no pr	operty saved has in an	y manner been conceased, and no
STATEMENT	s attempt to deceive	the said company, as to the extendal through the transhed and the furnished are the said to the extended the said through the said company, as to the extended the said to the extended through the said company, as to the extended through the said throu	t OI Said loss, has in a and considered a part o	ny manner been made. Any other
		•		
		this blank or the preparation of its	proofs by a represent	tative of the above insurance
	company is not a	waiver of any of its rights.	1 1	
State of	Illinois			AIC
County of	Cook			
				Insure
Subscribed and	sworn before me th	is 8th_ Day	of Augus	A 200 7
			Morne	alper
1	OFFICIAL SEAL	<u> </u>	· ·	Notary Publi
1	MONICA COFFEY Notary Public - State of	Minots		
₫ M	y Commission Expires Mo	y 1, 2010 🔓		

Case 1:08-cv-01106 Document 26-3 Filed 04/17/2008 Page 18 of 29 Page: 18/29 Date: 8/17/2007 12:09:40 PM

Amount of Policy \$2,000,000	at Time of Loss:				Policy Number: OC96079200
Date Issued:		SWORN	STATEMENT	ľ	OC.90079200
02/15/064			IN		Agent:
Date Expires:		PROO	F OF LOSS		Marsh USA Inc.
32/15/07					Seattle, WA
· · · · · · · · · · · · · · · · · · ·		a.			Overlay 1712
At the time of loss The Boeing Comp	any	cated policy of insuranc			
against loss to the	property described	according to the terms	and conditions	of said policy	and of all forms, endorsements,
transfers, and assig	grunents attached he	ereto.			,,
*******	A transit		Loss occurred	about the hour	of o'clock m., on
TIME AND	the 13th	day of June			cause and origin of the said loss were:
ORIGIN	Jet engines damage			,	The state of the s
	san Anguido administ	A TIT CEMTOTAL	· · · · · · · · · · · · · · · · · · ·		
WATER TO A RIES	6.6.45		. •		9 - 43
TITLE AND		oss, the interest of your			
INTEREST	No other person or	persons had any interes	st therein or en	cumbrance the	reon, except: n/a.
CHANGES	Since the said police	cy was issued, there has	s been no assign	nment thereof,	or change or interest, use,
CHMITGES	occupancy, possess	sions, location, or expos	sure of the pror	erty described	except n/a.
	1 0.1			•	
	THE TOTAL AM	אול אינר איני דאופו זים אאול	T unon the pro	martu Assariha	d by this policy was, at the time of loss
TOTAL					
INSURANCE	\$100,000,000	- 1	•		nt attached, besides which there was no
	policy or other cor	ntract of insurance, writ	ten or oral, vali	id or invalid.	
VALUE	THE ACTUAL C	ASH VALUE of said pr	roperty at the ti	me of loss was	\$
		•	• •		
LOSS	THE WHOLE LO	SS AND DAMAGE w	40		\$5,750 <u>,000</u>
TOSS	THE WILLIAMS DO	A TOUMNT WIND OF	cto		20,720,000
	#### 43.407P.Ym				maa # 000 /m//
AMOUNT	THE AMOUNT (CLAIMED under the ab	ove numbered	policy is	\$115,000 (2%)
					e part of your insured, or this affiant;
					this affiant, to violate the conditions of
					exed schedules but such as were
					any manner been concealed, and no
STATEMENTS					in any manner been made. Any other
	information that n	nay be required will be	furnished and	considered a pa	art of this proof.
	A A				
				ols by a repres	sentative of the above insurance
	company is not a	waiver of any of its rigi	nts.	1.	
			/_	<u>'</u> /	A //
State of	Illinois				
County of	Cook				
					Insured
		mh		,	
Subscribed and	sworn before me thi	is Yr	Day of	Anau	st 200 7
				Mon	er Corper
]				· · · · · · · · · · · · · · · · · · ·	Notary Public
ł	OFFICIAL SEAL MONICA COFFE	γ 🕻			, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
ŧ	Notary Public - State o				
4 ₩	y Commission Expires M	ay 1, 2010			
- Bridge					TMC Company File
					000176

Document 26-3 Page: 19/29 Filed 04/17/2008 Page 19 of 29 Date: 8/17/2007 12:09:40 PM

Amount of Policy a \$1,000,000	at Time of Loss:			Policy Number: OMC5389697
ate Issued:		SWORN STAT	EMENT	End of the second secon
2/15/064		IN PROOF OF	220 1	Agent:
ate Expires:		11.001 01	LOSS	Marsh USA Inc.
2/15/07				Seattle, WA
	erican Insurance Comp			
it the time of loss	, by the above indicate	d policy of insurance, you	insured -	
he Boeing Comp	any			
gainst loss to the ransfers, and assig	property described acc znments attached heret	ording to the terms and co	nditions of said po	licy and of all forms, endorsements,
	A transit	Laga	annimad ahairt tha	hour ofo'clockm., on
TIME AND	the 13th	day of June		, the cause and origin of the said loss were:
JKICTUS.	Jet engines damaged is	v	200 0_	, the cause and origin of the said loss were.
	Act citemes animated in	i dansit.		
TITLE AND	At the time of the loss	, the interest of your insure	ed in the property d	lescribed herein was owner.
INTEREST		rsons had any interest there		
	, ,	•		-
CHANGES	Since the said policy	was issued, there has been	no assignment ther	reof, or change or interest, use,
LARINGES	occupancy, possession	ns, location, or exposure of	f the property descr	ribed except n/a.
TOTAL		_		cribed by this policy was, at the time of loss
INSURANCE				nment attached, besides which there was no
	policy or other contra	ct of insurance, written or	oral, valid or inval	id.
VALUE	THE ACTUAL CASE	H VALUE of said property	y at the time of loss	s was \$
LOSS	THE WHOLE LOSS	AND DAMAGE was		\$5,750,000
LOGG	XIID WIIODE DOOD			
AMOUNT	THE AMOUNT CLA	AIMED under the above m	umbered policy is	\$57,500 (1%)
				4
	The said loss did not	originate by any act, design	in or procurement of	on the part of your insured, or this affiant; and or this affiant, to violate the conditions of
				annexed schedules but such as were
	destroyed or damage	d at the time of said loss;	no property saved h	nas in any manner been concealed, and no
STATEMENTS	attempt to deceive th	e said company, as to the	extent of said loss,	has in any manner been made. Any other
	information that may	y be required will be furnis	hed and considered	d a part of this proof.
	The firmishing of the	is blank or the preparation	of its proofs by a r	epresentative of the above insurance
		eiver of any of its rights.		
State of	Illinois			
County of	Cook			
				Insured
Subscribed and	sworn before me this	812	Day of	youst 200 7
**************************************				y Jana Corper
1	OFFICIAL SEAL			// // Notary Public
\$	MONICA COFFEY			
	iotony Public - State of Binosi Commission Expires Moy 1, 2			

Document 26-3 Page: 20/29 Filed 04/17/2008 Page 20 of 29
Date: 8/17/2007 12:09:41 PM

Amount of Policy at Time of Loss: Policy Number: \$1,000,000 83CTPAJ7978 SWORN STATEMENT Date Issued: IN 32/15/064 Agent: PROOF OF LOSS Date Expires: Marsh USA Inc. 02/15/07 Seattle, WA To the Hartford Insurance Company At the time of loss, by the above indicated policy of insurance, you insured -The Boeing Company against loss to the property described according to the terms and conditions of said policy and of all forms, endorsements, transfers, and assignments attached hereto. A transit Loss occurred about the hour of o'clock TIME AND 200 6, the cause and origin of the said loss were: the 13th ORIGIN Jet engines damaged in transit. TITLE AND At the time of the loss, the interest of your insured in the property described herein was owner. INTEREST n/a. No other person or persons had any interest therein or encumbrance thereon, except: Since the said policy was issued, there has been no assignment thereof, or change or interest, use, CHANGES occupancy, possessions, location, or exposure of the property described except n/a. THE TOTAL AMOUNT OF INSURANCE upon the property described by this policy was, at the time of loss TOTAL as more particularly specified in the apportionment attached, besides which there was no \$100,000,000 INSURANCE policy or other contract of insurance, written or oral, valid or invalid. THE ACTUAL CASH VALUE of said property at the time of loss was VALUE LOSS THE WHOLE LOSS AND DAMAGE Was \$5,750,000 AMOUNT THE AMOUNT CLAIMED under the above numbered policy is \$57,500 (1%) The said loss did not originate by any act, design or procurement on the part of your insured, or this affiant; nothing has been done by or with privity or consent of your insured or this affiant, to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss; no property saved has in any manner been concealed, and no attempt to deceive the said company, as to the extent of said loss, has in any manner been made. Any other **STATEMENTS** information that may be required will be furnished and considered a part of this proof. The furnishing of this blank or the preparation of its proofs by a representative of the above insurance company is not a waiver of any of its rights. State of Illinois Cook County of Insured Subscribed and swom before me this Day of Notary Public Official Seal MONICA COFFEY Notary Public - State of Minois My Commission Explos May 1, 2010

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Filed 04/17/2008 Page 21 of 29 Date: 8/17/2007 12:09:41 PM

at Time of Loss:	SWORN STATEMENT	Policy Number: JC487006
	SWORN STATEMENT IN	
	PROOF OF LOSS	Agent: Marsh USA Inc.
		Seattle, WA
		Statio, WA
	ted policy of insurance, you insured -	
any		13 _ 1; 3 _ £ _ N
		in poncy and or an forms, endorsements,
A transit	Torr conversed about	the hour of alalast man
**************************************		t the hour of o'clock m., on
*********		0 6, the cause and origin of the said loss were:
Ter engines damager	i iii Gansr.	THE RESERVE AND ADDRESS OF THE PARTY OF THE
At the time of the lo	es the interest of your inguined in the moon	erty described herein was owner.
1-0 villet person of j	wisens namen's interest mercin of enemito	zanov morovn, envept. 124.
Since the said notice	v was issued, there has been no assignment	t thereof, or change or interest, use.
	-	· ·
oooapaaroj, poooooo	count to authorize or an broken a	4400110011 01500Pt
THE TOTAL AMO	DUNT OF INSURANCE upon the property	described by this policy was, at the time of loss
policy of other com	tact of figurance, written or oral, valid of f	11174214.
THE ACTUAL CA	SH VALUE of said property at the time of	floss was \$
THE WHOLE LOS	SS AND DAMAGE was	\$5,750,000
THE AMOUNT C	LAIMED under the above numbered polic	y is \$1,638,750 (28.5%)
THE AMOUNT C	LAIMED under the above numbered polic	y is \$1,638,750 (28.5%)
The said loss did n	ot originate by any act, design or procuren	nent on the part of your insured, or this affiant;
The said loss did n	ot originate by any act, design or procured one by or with privity or consent of your i	nent on the part of your insured, or this affiant; nsured or this affiant, to violate the conditions of
The said loss did n nothing has been d the policy, or rende	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein	nent on the part of your insured, or this affiant; unsured or this affiant, to violate the conditions of or in annexed schedules but such as were
The said loss did n nothing has been d the policy, or rende destroyed or dama	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property sa	ment on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no
The said loss did n nothing has been d the policy, or rende destroyed or damas attempt to deceive	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property say the said company, as to the extent of said	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other
The said loss did n nothing has been d the policy, or rende destroyed or damas attempt to deceive	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property sa	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other
The said loss did n nothing has been d the policy, or rend destroyed or damas attempt to deceive information that m	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property say the said company, as to the extent of said	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof.
The said loss did n nothing has been d the policy, or rende destroyed or dama; attempt to deceive information that m	ot originate by any act, design or procured one by or with privity or consent of your in er it void; no articles are mentioned herein ged at the time of said loss; no property sat the said company, as to the extent of said lay be required will be furnished and consider	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof.
The said loss did n nothing has been d the policy, or rende destroyed or dama; attempt to deceive information that m	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property sathe said company, as to the extent of said lay be required will be furnished and considerable blank or the preparation of its proofs be	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof.
The said loss did n nothing has been d the policy, or rende destroyed or dama; attempt to deceive information that m	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property sathe said company, as to the extent of said lay be required will be furnished and considerable blank or the preparation of its proofs be	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof.
The said loss did n nothing has been d the policy, or rendedestroyed or damaged attempt to deceive information that mutual the furnishing of a company is not a very said to be a said to b	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property sathe said company, as to the extent of said lay be required will be furnished and considerable blank or the preparation of its proofs be	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof.
The said loss did n nothing has been d the policy, or rende destroyed or dama. S attempt to deceive information that m. The furnishing of company is not a v. Illinois	ot originate by any act, design or procured one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property sathe said company, as to the extent of said lay be required will be furnished and considerable blank or the preparation of its proofs be	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof.
The said loss did n nothing has been d the policy, or rende destroyed or dama attempt to deceive information that m. The furnishing of company is not a v. Illinois Cook	ot originate by any act, design or procurem one by or with privity or consent of your in er it void; no articles are mentioned herein ged at the time of said loss; no property sathe said company, as to the extent of said hay be required will be furnished and consists blank or the preparation of its proofs by waiver of any of its rights.	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof. by a representative of the above insurance Insure
The said loss did n nothing has been d the policy, or rende destroyed or dama. S attempt to deceive information that m. The furnishing of company is not a v. Illinois	ot originate by any act, design or procurem one by or with privity or consent of your is er it void; no articles are mentioned herein ged at the time of said loss; no property sat the said company, as to the extent of said hay be required will be furnished and consists blank or the preparation of its proofs by waiver of any of its rights.	ment on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof. By a representative of the above insurance
The said loss did n nothing has been d the policy, or rende destroyed or dama attempt to deceive information that m. The furnishing of company is not a v. Illinois Cook	ot originate by any act, design or procurem one by or with privity or consent of your in er it void; no articles are mentioned herein ged at the time of said loss; no property sathe said company, as to the extent of said hay be required will be furnished and consists blank or the preparation of its proofs by waiver of any of its rights.	nent on the part of your insured, or this affiant; insured or this affiant, to violate the conditions of or in annexed schedules but such as were ved has in any manner been concealed, and no loss, has in any manner been made. Any other dered a part of this proof. by a representative of the above insurance Insure
\ \frac{1}{2}	, by the above indication any property described as gnments attached here. A transit the 13th Jet engines damaged. At the time of the lot No other person or public occupancy, possessing THE TOTAL AMOUNT 100,000,000 policy or other contract. THE ACTUAL CA	Underwriters at Lloyd's and other London Companies by the above indicated policy of insurance, you insured any property described according to the terms and conditions of safenments attached hereto. A transit Loss occurred about

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Page 22 of 29

Amount of Policy at Time of Loss: Policy Number: \$5,000,000 OCMM001130 SWORN STATEMENT Date Issued: IN 32/15/064 Agent PROOF OF LOSS Date Expires: Marsh USA Inc. 02/15/07 Seattle, WA To the Mitsui Insurance Company At the time of loss, by the above indicated policy of insurance, you insured -The Boeing Company against loss to the property described according to the terms and conditions of said policy and of all forms, endorsements, transfers, and assignments attached hereto. Loss occurred about the hour of o'clock A transīt TIME AND 200 6, the cause and origin of the said loss were: the 13th ORIGIN Jet engines damaged in transit. At the time of the loss, the interest of your insured in the property described herein was owner. TITLE AND INTEREST No other person or persons had any interest therein or encumbrance thereon, except: n/a. Since the said policy was issued, there has been no assignment thereof, or change or interest, use, CHANGES occupancy, possessions, location, or exposure of the property described except THE TOTAL AMOUNT OF INSURANCE upon the property described by this policy was, at the time of loss TOTAL as more particularly specified in the apportionment attached, besides which there was no \$100,000,000 INSURANCE policy or other contract of insurance, written or oral, valid or invalid. THE ACTUAL CASH VALUE of said property at the time of loss was VALUE \$5,750,000 LOSS THE WHOLE LOSS AND DAMAGE was THE AMOUNT CLAIMED under the above numbered policy is \$287,500 (5%) AMOUNT The said loss did not originate by any act, design or procurement on the part of your insured, or this affiant; nothing has been done by or with privity or consent of your insured or this affiant, to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss; no property saved has in any manner been concealed, and no STATEMENTS attempt to deceive the said company, as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof. The furnishing of this blank or the preparation of its proofs by a representative of the above insurance company is not a waiver of any of its rights. Illinois State of Cook County of Insured Subscribed and sworn before me this Day of OFFICIAL SEAL MONICA COFFEY Notary Public - State of Illinois Constitution Suples May 1, 2010

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Amount of Policy at Time of Loss: Policy Number: 32,500,000 CAR300008 SWORN STATEMENT Date Issued: IN)2/15/064 Agent: PROOF OF LOSS Date Expires: Marsh USA Inc.)2/15/07 Seattle, WA To the RLI Insurance Company At the time of loss, by the above indicated policy of insurance, you insured -The Boeing Company against loss to the property described according to the terms and conditions of said policy and of all forms, endorsements, transfers, and assignments attached hereto. transit Loss occurred about the hour of o'clock TIME AND 200 6, the cause and origin of the said loss were: the 13th day of ORIGIN Jet engines damaged in transit. At the time of the loss, the interest of your insured in the property described herein was owner. TITLE AND INTEREST No other person or persons had any interest therein or encumbrance thereon, except: n/a. Since the said policy was issued, there has been no assignment thereof, or change or interest, use, CHANGES occupancy, possessions, location, or exposure of the property described except THE TOTAL AMOUNT OF INSURANCE upon the property described by this policy was, at the time of loss TOTAL as more particularly specified in the apportionment attached, besides which there was no \$100,000,000 INSURANCE policy or other contract of insurance, written or oral, valid or invalid. THE ACTUAL CASH VALUE of said property at the time of loss was VALUE LOSS THE WHOLE LOSS AND DAMAGE was \$5,750,000 \$143,750 (2.5%) THE AMOUNT CLAIMED under the above numbered policy is AMOUNT The said loss did not originate by any act, design or procurement on the part of your insured, or this affiant; nothing has been done by or with privity or consent of your insured or this affiant, to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss; no property saved has in any manner been concealed, and no attempt to deceive the said company, as to the extent of said loss, has in any manner been made. Any other STATEMENTS information that may be required will be furnished and considered a part of this proof. The furnishing of this blank or the preparation of its proofs by a representative of the above insurance company is not a waiver of any of its rights. Illinois State of Cook County of Insured Subscribed and sworn before me this Day of MONICA COFFEY Notary Public - State of Blinois My Commission Expires May 1, 2010

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Amount of Policy a 30,000,000	t Time of Loss:	SWORN	STATEME		Policy Number: JC487006		
Date Issued: 02/15/064			IN OF OF LOSS		Agent:		
Date Expires: 02/15/07		1 ROC	or or boss		Marsh USA Inc. Seattle, WA		
72/15/01					beaute, wh		
	Alliance Insurance by the above indicates	Company ated policy of insuran	ce, you insure	d -			
The Boeing Compa	iny						
	property described a nments attached her	eccording to the terms reto.	and condition	as of said policy	and of all forms,	endorsements,	
TIME AND	A <u>transit</u>	**************************************	_		r ofo'	*****************	m., on
ORIGIN I	he <u>13th</u>	day of <u>Jun</u>	e	200 <u>6</u> , the	cause and origin	of the said loss	were:
<u>.</u>	let engines damage	i in transit.					
TITLE AND	At the time of the lo	oss, the interest of you	ır insured in ti	ne property descr	ribed herein was	owner.	
	No other person or persons had any interest therein or encumbrance thereon, excep					n∕a.	
LHANGEN	-	y was issued, there he ions, location, or exp		_	-	rest, use,	ANNE SERVICE S
TOTAL INSURANCE	\$100,000,000	OUNT OF INSURAN as more particularly tract of insurance, wr	y specified in	the apportionmen			
VALUE	THE ACTUAL CA	ASH VALUE of said	property at the	e time of loss wa	s <u>\$</u>	V	
LOSS	THE WHOLE LO	SS AND DAMAGE	was		\$5,750	,000	··
AMOUNT	THE AMOUNT C	LAIMED under the a	bove number	ed policy is	\$1,725	,000 (30%)	NOTE AND A SECTION OF THE SECTION OF
STATEMENTS	nothing has been d the policy, or rend destroyed or dama attempt to deceive	ot originate by any actione by or with privity or it void; no articles ged at the time of said the said company, as any be required will be	y or consent of are mentioned d loss; no proj t to the extent	f your insured or i herein or in ann perty saved has it of said loss, has	this affiant, to vinced schedules by any manner beer in any manner be	iolate the condi out such as were an concealed, an	tions of ad no
		this blank or the prep waiver of any of its ri		proofs by a repre	sentative of the a	bove insurance	.
State of	Illinois		(
County of	Cook					V	·
	OFFICIAL SEAL MONICA COFFEY Notary Public - State of		Day o	or Aug	guss- 200 Vec Cyz	7 Not	Insured ary Public

ements,					
m., on					
said loss were:					
.					
Since the said policy was issued, there has been no assignment thereof, or change or interest, use, occupancy, possessions, location, or exposure of the property described except n/a.					
the time of loss th there was no					
\$5,750,000					
The said loss did not originate by any act, design or procurement on the part of your insured, or this affiant; nothing has been done by or with privity or consent of your insured or this affiant, to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss; no property saved has in any manner been concealed, and no attempt to deceive the said company, as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof. The furnishing of this blank or the preparation of its proofs by a representative of the above insurance					
surance					
surance					
e					

Amount of Policy at Time of Loss: 55,000,000 Date Issued: 12/15/064 Date Expires: 12/15/07 To the Tokio Marine Insurance Company of the Toki		SWORN STATEMENT IN PROOF OF LOSS		Policy Number: T060010666 Agent: Marsh USA Inc. Seattle, WA	
At the time of loss The Boeing Comp	, by the above indic any	ated policy of insurance, you		J.C. W.C.	
	property described a		namons of said policy	and of all forms, endorsements,	
TIME AND ORIGIN	A transit the 13th Jet engines damage	Loss day of June		e cause and origin of the said loss were:	
TITLE AND INTEREST		oss, the interest of your insur persons had any interest ther			
CHANGES		ey was issued, there has been tions, location, or exposure o		f, or change or interest, use, ad except <u>n</u> /a.	
TOTAL INSURANCE	\$100,000,000		fied in the apportionm	bed by this policy was, at the time of loss ent attached, besides which there was no	
VALUE	THE ACTUAL CA	ASH VALUE of said propert	y at the time of loss w	as <u>\$</u>	
LOSS	THE WHOLE LO	SS AND DAMAGE was		\$5,750,000	
AMOUNT	THE AMOUNT O	LAIMED under the above n	umbered policy is	\$287,500 (5%)	
STATEMENTS	nothing has been of the policy, or rend destroyed or dame attempt to deceive	lone by or with privity or cor er it void; no articles are men aged at the time of said loss;	nsent of your insured on tioned herein or in an no property saved has extent of said loss, has	the part of your insured, or this affiant; or this affiant, to violate the conditions of nexed schedules but such as were in any manner been concealed, and no in any manner been made. Any other part of this proof.	
·		this blank or the preparation waiver of any of its rights.	of its proofs by a repr	esentative of the above insurance	
State of	Illinois	A. J. A. B. B. B. A.	- \-/\-/		
County of	Cook				
	SWORN before me this OFFICIAL SEAL MONICA COFFEY OTHER PLOTE - State of SEA	nois	Day of Au	Insured Gust 200 T Wey Notary Public	

ENCLOSURE #3

Engine Salvage Report – Charles Taylor Aviation

Charles Taylor aviation

McLarens Young International
Attn: Tim Owen, CPCU - via email: tim.owen@mclarensyoung.com
19324 40th Ave. W, Suite C
Lynnwood, WA 98036

July 27, 2007

Your Ref: 03.002279.00

Dear Tim.

Our Ref	:	M7090	
Assured	:	Boeing Aircraft Company	
Aircraft	:	CFM56-7B engines, MSNs: 892-976 & 892-978	
Incident	:	Engines damaged in transit – 13 June 2006 – Interstate 74 in Illinois	

ENGINE VALUE EVALUTION REPORT

References

1. CTa Engine Survey Report dated July 25, 2007

Introduction

Following our referenced Engine Survey Report, CTa was instructed by McLarens Young International to provide an opinion of the value of the 2 subject engines in their current un-repaired condition. A discussion of the influencing factors and opinions now follows.

Value Evaluation

Currently and for some time in the foreseeable future the CFM56-7B engine is in very high demand. The engine is used on Boeing's 737 Next Generation (-700,-800 & -900) aircraft, which has a significant production order backlog and is used throughout the world by major airlines as well as on the Boeing Business Jets (BBJ).

The cost for a new CFM56-7B engine is \$7,100,000 and we were advised that a \$300,000 'airline' discount is provided to Boeing. Using the budgetary repair estimates provided in our Engine Survey Report the logical estimated value of the engines would be as follows:

Formerly known as ETC Services Aviation (LAD Inc)

3000 \$W 148th Avenue, Suite 303 Miramar, FL 33027-4169 U.S.A. Tel (954) 447 9870 Fax (954) 447 9875

WWW.charlestayloradj.com
A rading name of IAD (Avision) Inc.; IEN 75-2955191

A Charles Taylor Consulting company

M7090, Boeing, DOL 13 Jun 06 Engine Value Evaluation Report, 27 Jul 07

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- 1. ESN 892-976 new value of \$6.8 million less an estimated repair cost of \$613,950 has an estimated value of \$6,186,050 remaining.
- 2. ESN 892-978 new value of \$6.8 million less the \$1,123,358 has an estimated value of \$5,676,642 remaining.

These would be the logical 'hard' values, however taking into consideration the risk of further damages being found during actual repairs, the loss of value in that the engines were involved in an accident and that they are now repaired in lieu of being new.

Though the engines can be repaired economically to a like new condition with only test cell times on them, they will be considered repaired engines. However, the engine components and parts having virtually no operating usage enhance the value of the repaired engines compared to engines with time on them fresh out of overhaul.

Our research did not indicate any FAA regulation requirement for GE to stigmatize the engines as having been involved in an accident. We note that GE's recommended return to service workscope referenced in our Engine Survey Report states the inspection is not warranted. This disclaimer to hold GE harmless refers further hidden damages that may not be found from the GE workscope inspection as the depth of the workscope is limited. Upon completion of the engine repairs the engines will be documented as airworthy and serviceable by the repair facility. However, the shop warranty would be limited and this will have a significant affect on its perceived value.

The individual engine parts, except those with damage, could be worth more than the engine value, but again it may be the parts are required to be identified as have coming from an accident engine and adversely affect their market value.

CTa's limited market inquiries to aircraft/engine leasing companies, GA Telesis in particular, indicate the engines might be worth \$4 to \$5 million in the market in the as is condition.

There may be other perspectives to consider in estimating a reasonable value for the subject engines un-repaired, however, taking into account the above, especially the strong market conditions the value range for ESN 892-976 is between \$4 to \$5 million and for ESN 892-978 is between \$3.5 to \$4.5 million.

Yours sincerely,

Ronn McCaw

Surveyor & Adjuster - Aviation